

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

SUPPLEMENTAL ORDER REGARDING DOCKET NUMBER VGOB-00-0321-0775

ELECTIONS: UNIT N-39
(herein "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

This Supplemental Order is entered by the Board *sua sponte* in the form authorized by the Board at hearings held on February 15, 1994 and June 16, 1992; and this Supplemental Order is being recorded for the purpose of supplementing the Order previously in the captioned matter on April 27, 2000 which was recorded at Deed Book 506, Page 597 in the Office of the Clerk of the Circuit Court of Buchanan County, Virginia, on May 3, 2000, (herein "Board Order") and completing the record regarding elections.

Findings: The Board finds that:

The Board Order directed POCAHONTAS GAS PARTNERSHIP (herein "Designated Operator") to mail copies of the Board Order to all Respondents whose interests, if any, were pooled by the said Board Order;

The Designated Operator filed its affidavit of elections disclosing that it had mailed a true and correct copy of the Board's Order to all Respondents whose interests, if any, were pooled by said Board Order;

The Board Order required each Respondent whose interests, if any, were pooled by the terms of said Board Order to make an election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the affidavit of elections filed herein and annexed hereto as Exhibit A states: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of any election(s) made; and (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interests, estates and claims in Subject Drilling Unit to the Applicant;

That the affidavit of elections annexed hereto with the Exhibits submitted therewith identifies the Respondent(s) making a timely election, if any; identifies the Respondent(s), if any, who are deemed to have leased; identifies the conflicting interests and claims which require escrow; identifies the interests and claims, if any, requiring escrow under Virginia Code section 45.1-361.21.D.; and identifies the Respondents, if any, who may be dismissed by reason of having leased or entered into a voluntary agreement with the Applicant.

The affidavit of elections indicates that the escrow of funds is required with regard to Unit N-39;

Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2. above and the annexed affidavit of elections with Exhibits thereto, any funds subject to escrow and instructs the Escrow Agent, First Union National Bank, Corporate Trust PA 1328, 123 South Broad Street, Philadelphia, PA 19109-1199, or any successor named by the Board to establish interest bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in the affidavit of elections with Exhibits thereto, to receive funds and account to the Board therefor.

Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each Respondent whose interests or claims are subject to escrow and whose address is known within seven seven (7) days from the date of receipt of this Order.

Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 16th day of August, 2000, by a majority of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler


STATE OF VIRGINIA
COUNTY OF WISE

Acknowledged on this 16th day of Aug., 2000, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett, Notary

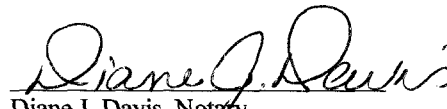
My commission expires: 7/31/02.

DONE AND PERFORMED THIS 24th day of August, 2000, by Order of the Board.


B. R. Wilson
Director of the Division of Gas & Oil Board and
Principal Executive to the Board

STATE OF VIRGINIA
COUNTY OF WASHINGTON

Acknowledged on this 24th day of August, 2000, personally before me a notary public in and for the Commonwealth of Virginia, appeared B.R. Wilson, being duly sworn did depose and say that he is Director of the Division of Gas and Oil Board and Principal Executive to the Board, that he executed the same and was authorized to do so.


Diane J. Davis, Notary

My commission expires: 9/30/2001.

VIRGINIA:

Exhibit A

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

Application of Pocahontas Gas Partnership for Forced Pooling of Interests in CBM Unit N-39 VGOB-00-0321-0775 in the Garden District of Buchanan County, Virginia

AFFIDAVIT OF POCAHONTAS GAS PARTNERSHIP (herein "Designated Operator") REGARDING ELECTIONS, ESCROW AND SUPPLEMENTAL ORDER

Leslie K. Arrington, being first duly sworn on oath, deposes and says:

That your affiant is employed by CONSOL Inc., as a Permit Specialist and is duly authorized to make this affidavit on behalf of POCAHONTAS GAS PARTNERSHIP, the designated operator,

That the Order entered on April 27, 2000, by the Virginia Gas and Oil Board (hereinafter "Board") regarding the captioned CBM Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by the Order;

That within seven (7) days of receipt of an executed copy of the Order referred to at paragraph 2. above, your affiant caused a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who were added as Respondents at the hearing held in the captioned matter; that proof of such mailing has previously been tendered to the Division of Gas and Oil, the Office of the Gas and Oil Inspector, at Abingdon, Virginia;

That the Order of the Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date the Order was recorded in the county identified above; that said Order was recorded on May 3, 2000;

That the designated operator POCAHONTAS GAS PARTNERSHIP has established procedures to review all mail received and all written documents received other than by mail to ascertain whether parties whose interests have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to the Subject Unit; that the following persons delivered, by mail or otherwise, written elections the Unit Operator, within the thirty day elections period:

None

That Respondents identified in Exhibit B-3 hereto are, having failed to make any election, deemed to have leased their coalbed methane rights, interests and claims to Applicant, all as provided in the Board's Order of January 14, 2000;

See Attached Exhibit B-3

That the rights, interests and claims of the following persons are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia:

See attached Exhibit E

That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator:

None

that to the extent any of said persons listed in Exhibit B-2 have rights, interests and claims which are not subject to escrow, they should be dismissed as respondents; the Operator requests that the following persons be dismissed as Respondents:

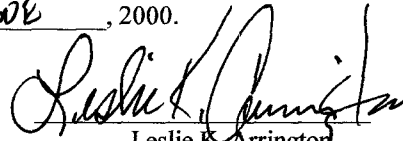
None

That the persons identified in Exhibit EE have attached hereto have entered into royalty split agreements that allow the Applicant/Designated Operator to pay them directly without the need to escrow funds which would otherwise be in conflict.

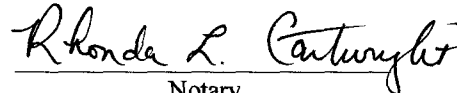
See attached Exhibit EE

That pursuant to the provisions of VAC 25-160-70.A.10. and C. and VAC 25-160-80 the annexed supplemental order sets forth the interests and claims that require escrow of funds pursuant to Virginia Code sections 45.1-361.21.D. and 45.1-361.22.A.3. and 4.

Dated at Tazewell, Virginia, this 16th day of June, 2000.


Leslie K. Arrington

Taken, subscribed and sworn to before me by Leslie K. Arrington as Permit Specialist of CONSOL Inc., on behalf of the corporate Designated Operator, this 16th day of June, 2000.


Notary

My commission expires: 10/31/01.

PROPERTY LINES SHOWN WERE TAKEN FROM MAPS
PROVIDED BY CONSOL Inc. AND WERE NOT SURVEYED

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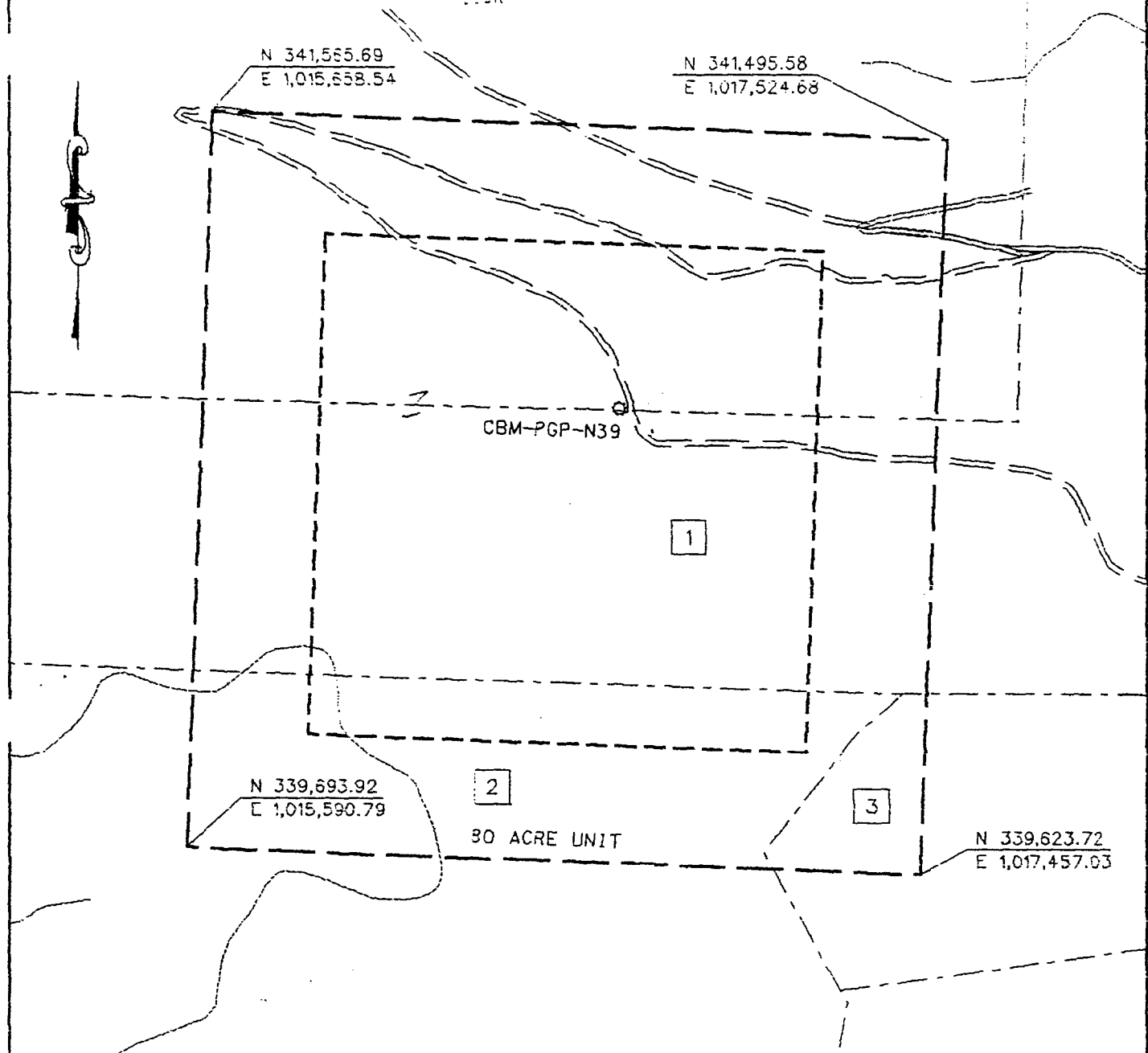


EXHIBIT A
OAKWOOD FIELD UNIT N-39
FORCE POOLING
VGDB-QQ-0321-0775

Company Pocahontas Gas Partnership Well Name and Number UNIT N-39
Tract No. _____ Elevation _____ Quadrangle Keen Mountain
County Buchanan District Garden Scale: 1" = 400' Date 2/09/00
This plat is a new plat X ; an updated plat _____ ; or a final plat _____

Form DGO-GO-7
Rev. 9/91
Charles E. Meyer
Licensed Professional Engineer or Licensed Land Surveyor

POCAHONTAS GAS PARTNERSHIP**UNIT N-39****Tract Identifications**

1. P. J. Brown Heirs - Fee

Lessees

Island Creek Coal Company (Below Drainage Coal)
 Jewell Ridge (Sea "B" Mining) - Jawbone Seam
 Jewell Smokeless - (Above Drainage except Jawbone)
 Pocahontas Gas Partnership - 99.86772% Oil & Gas Lessee
 60.70 acres 75.87500%

2. Franks Estate - Tr.9A, ½ Coal, Oil & Gas
 Consolidation Coal Company - ½ Coal Jawbone & Below
 Clyborne, Inc. - ½ Coal Above Jawbone - Oil & Gas

Lessees

Consolidation Coal Company - ½ Coal bel. Jawbone Lessee
 Pocahontas Gas Partnership - CBM Lessee
 Pocahontas Gas Partnership - Oil & Gas Lessee
 Walter Horn - Surface
 16.65 acres 20.81250%

3. Ruth Culbertson - Tr.7A, 1/4 - Coal, Oil & Gas
 Metcalf Estate - 1/4 - Coal, Oil & Gas
 Consolidation Coal Company - ½ Coal Jawbone & Below
 Clyborne, Inc. - ½ Coal Above Jawbone - Oil & Gas

Lessees

Consolidation Coal Company - ½ Coal bel. Jawbone Lessee
 Pocahontas Gas Partnership - CBM Lessee
 Pocahontas Gas Partnership - Oil & Gas Lessee
 Reserve Coal Properties - Surface, (Oil & Gas Claimant)
 2.65 acres 3.31250%

Exhibit B-3
UNIT N-39
Docket # VGOB-00-0321-0775
List of Unleased Owners/Claimants

BOOK 511 PAGE 773

	Acres in Unit	Percent of Unit
I. COAL FEE OWNERSHIP		
<u>Tract No. 1, 60.70 Acres</u>		
(1) P. J. Brown Heirs, Devisees, Successors or Assigns	60.70 acres	75.87500%
(a) Virginia Brown Palmer 187 Acorn Valley Circle Cottonwood, AL 36320	0.0161 acres 1/3780 of 60.70 acres	0.02007%
(b) Benjamin Patton Brown Rt. 1, Box 853 Pounding Mill, VA 24537	0.0161 acres 1/3780 of 60.70 acres	0.02007%
(c) Charle Henry Brown 14376 Peacefull Valley Road Abingdon, VA 24210-8104	0.0161 acres 1/3780 of 60.70 acres	0.02007%
(d) William David Brown 6 South Park Avenue Millville, NJ 08332	0.0161 acres 1/3780 of 60.70 acres	0.02007%
(e) Eugene L. Brown, Jr. Rt. 3, Box 144 Tazewell, VA 24630	0.0161 acres 1/3780 of 60.70 acres	0.02007%
II. OIL & GAS FEE OWNERSHIP		
<u>Tract No. 1, 60.70 Acres</u>		
(1) P. J. Brown Heirs, Devisees, Successors or Assigns	60.70 acres	75.87500%
(a) Virginia Brown Palmer 187 Acorn Valley Circle Cottonwood, AL 36320	0.0161 acres 1/3780 of 60.70 acres	0.02007%
(b) Benjamin Patton Brown Rt. 1, Box 853 Pounding Mill, VA 24537	0.0161 acres 1/3780 of 60.70 acres	0.02007%
(c) Charle Henry Brown 14376 Peacefull Valley Road Abingdon, VA 24210-8104	0.0161 acres 1/3780 of 60.70 acres	0.02007%
(d) William David Brown 6 South Park Avenue Millville, NJ 08332	0.0161 acres 1/3780 of 60.70 acres	0.02007%
(e) Eugene L. Brown, Jr. Rt. 3, Box 144 Tazewell, VA 24630	0.0161 acres 1/3780 of 60.70 acres	0.02007%

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List of Conflicting Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit
<u>Tract No. 3, 2.65 Acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Ruth Culbertson, et al., Tr 7A	2.65 acres	3.31250%
(a) Ruth Culbertson Box 217 Raven, VA 24639	0.6625 acres 1/4 of 2.65 acres	0.82813%
(a) Metcalf Estate c/o J. C. Franks 621 Peavler Street Marion, VA 24641	0.6625 acres 1/4 of 2.65 acres	0.82813%
<u>OIL & GAS FEE OWNERSHIP</u>		
(a) Reserve Coal Properties P. O. Box 947 Bluefield, VA 24605	1.325 acres 1/2 of 2.65 acres	1.65625%

Docket # VGOB-00-0321-0775

List of Conflicting Owners/Claimants with Royalty Split Agreements

	Acres in Unit	Percent of Unit
<u>Tract No. 2, 16.65 Acres</u>		
<u>COAL FEE OWNERSHIP</u>		
(1) Reserve Coal Properties (1/2 coal below jawbone)	8.325 acres	10.40625%
P. O. Box 947	1/2 of 16.65 acres	
Bluefield, VA 24605		
<u>OIL & GAS FEE OWNERSHIP</u>		
(1) Clyborne, Inc.	8.325 acres	10.40625%
11201 Whitcomb Place	1/2 of 16.65 acres	
Woodway, WA 98020		

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 24th day of August, 2000 3:19 P. M.
 Deed Book No. 511 and Page No. 767 TESTE: James M. Bevins, Jr., Clerk
 Returned this date to; Deane Davis TESTE: James M. Bevins, Jr. Deputy Clerk

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